

## **CHARTER**

### **ADVISORY PANEL ON AMBULATORY PAYMENT CLASSIFICATION GROUPS**

#### **PURPOSE**

The Secretary of Health and Human Services (the Secretary) is mandated by section 1833(t)(9)(A) of the Social Security Act (the Act), as added by section 201(h) of the Balanced Budget Refinement Act of 1999 (BBRA) (Public Law [Pub. L.] 106-113), and redesignated by section 2020(a)(2) of the BBRA to consult with an advisory panel on the ambulatory payment classification (APC) groups.

The Advisory Panel on APC Groups (the Panel) will review the APC groups and their associated weights and will advise the Secretary and the Administrator of the Centers for Medicare & Medicaid Services (CMS) concerning the clinical integrity of the groups and their weights. The APC groups and the weights are major elements of the hospital outpatient prospective payment system (OPPS).

#### **AUTHORITY**

42 U.S.C. 13951 (t), section 1833(t) of the Act. The Panel is governed by the provisions of Pub. L. 92-463, as amended (5 U.S.C. Appendix 2), which sets forth standards for the formation and use of advisory panels.

#### **FUNCTION**

The Panel shall advise the Secretary, and the Administrator of CMS, about the clinical integrity of the APC groups and their associated weights. The Panel is technical in nature, and it will deal with issues such as the following: addressing whether procedures are similar both clinically and in terms of resource use; assigning new current procedural terminology (CPT) codes to APCs; reassigning codes to different APCs; reconfiguring the APCs into new APCs, etc. The subject matter will be limited to these and related topics. Unrelated topics are not subjects for discussion. Unrelated topics include, but are not limited to, the conversion factor, pass-through payments for medical devices and drugs, wage adjustments, and the like. The agenda, which will set the boundaries for discussion, will be developed by CMS. The Panel will not make policy recommendations.

The Panel may use data collected or developed by entities and organizations, other than the Department and CMS, in conducting its review.

To obtain the broadest possible input for its work, the Panel must consult with entities and organizations, such as the medical device and drug industries, that have expert technical knowledge concerning the components of the APCs.

The Secretary and the Administrator of CMS shall be advised of all matters pertaining to the Panel.

## **STRUCTURE**

The Panel shall consist of up to 15 members, and a Chair, selected by the Secretary, or designee, from among representatives of Medicare providers (including Community Mental Health Centers) subject to the OPPTS. All members must have technical expertise that will enable them to participate fully in the work of the Panel. Such expertise encompasses expertise in hospital payment systems, hospital medical care delivery systems, outpatient payment requirements, APCs, the use and payment of drugs and medical devices in the outpatient setting, as well as other forms of relevant expertise. It is not necessary that any member be an expert in all of the areas listed above. All members shall have a minimum of 5 years of experience in their areas of expertise, and they must be currently employed and in a full-time status in their areas of expertise.

A Federal official shall serve as the Chair for this Panel. All members initially will be invited to serve for staggered terms; subsequent terms will be for 4 years. Terms of more than 2 years are contingent upon the renewal of the Panel by appropriate action prior to its termination. A member may serve after the expiration of his/her term until a successor has taken office.

A quorum for the conduction of business shall consist of a majority of currently appointed members.

As necessary, standing and ad hoc subcommittees, composed of members of the parent Panel, may be established to perform functions within the Panel's jurisdiction. The Department Committee Management Officer shall be notified upon the establishment of each standing subcommittee and shall be given information on its name, membership, function, and estimated frequency of meetings.

Management support services shall be provided by CMS.

## **MEETINGS**

Meetings shall be held up to three times a year at the call of the Chair. The Chair shall also prepare and approve the agenda.

Meetings shall be open to the public except as determined otherwise by the Secretary or other official to whom the authority has been delegated; notice of all meetings shall be given to the public.

Meetings shall be conducted, and records of the proceedings shall be kept, as required by applicable laws and Departmental regulations.

## **COMPENSATION**

All members will serve in a voluntary status without compensation pursuant to advance written agreement. Members of the Panel shall be entitled to receive reimbursement for travel expenses and per diem in lieu of subsistence, in accordance with Standard Government Travel Regulations.

## **ANNUAL COST ESTIMATE**

Estimated annual cost for operation of the Panel, including travel and per diem for members, and logistical support, excluding staff support, is \$26,898 for fiscal year (FY) 2003 and \$27,908 for FY 2004. The estimated annual person-years of staff support required are 0.58 FTE at an annual cost of \$66,229.

## **REPORTS**

In the event that a portion of a meeting is closed to the public, a report shall be prepared that shall contain, at a minimum, a list of members and their business addresses, the Panel's function, dates and places of meeting, and a summary of Panel activities and recommendations made during the FY. A copy of the report shall be provided to the Department Committee Management Officer.

## **TERMINATION DATE**

Unless renewed by appropriate action prior to its expiration, the Advisory Panel on APC Groups will terminate on November 21, 2004.

## **APPROVED:**

11/01/02

/s/ Tommy G. Thompson

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Date

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Secretary